

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated February 9, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 26463.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Modesto and Empire Traction Company
530 11th Street
Modesto, CA 95353

A description of the railroad equipment covered by the enclosed document is for twenty six (26) 52' 8" Plate F boxcars with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: **Memorandum of Lease**

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Sincerely,



Marcia Dunne
Senior Documentation Specialist

Enclosures

(MET005)

JUL 16 2010
RECEIVED
VIA UPS 2nd DAY AIR

July 15, 2010

RECORDATION NO. 26463-C FILED

JUL 16 '10 -4 0 0 PM

SURFACE TRANSPORTATION BOARD

JUL 16 '10 -4 0 0 PM

ASSGN. NO.: MET005

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 9th day of February, 2010, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Modesto And Empire Traction Company ("Lessee"), a California corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 27, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of February 25, 2010, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. SeymourName: RICHARD F. SEYMOUR
VICE PRESIDENT

Title: _____

By: Janice L. EnolvaName: Janice L. EnolvaTitle: Manager of DocumentationExecuted on this 25TH day of February, 2010.

[CORPORATE SEAL]

STATE OF ILLINOISCOUNTY OF COOK

I, GEORGIA FREIBURGER a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 25TH day of February, 2010.

My Commission Expires:

6-2012
(Notary Public)

LESSEE:

MODESTO AND EMPIRE TRACTION COMPANY

ATTEST:

By: Tom L. Nielsen

Name: Tom L. Nielsen

Title: Vice President

By: James D. Ross

Name: James D. Ross

Title: Director of Marketing & Sales

Executed on this 9th day of February, 2010.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this _____ day of _____, _____.

Notary Public

Commission Expires:

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

I. NUMBER OF CARS: Twenty-six (26)

II. DESCRIPTION OF CARS: 52' 8", 286,000 lb. capacity, double plug door, cushioned, Plate F boxcars, with 50K rated nailable steel floors, built in 1988.

III. CAR NUMBERS:

NOKL	550002
NOKL	550005
NOKL	550006
NOKL	550016
NOKL	550017
NOKL	550027
NOKL	550030
NOKL	550038
NOKL	550044
NOKL	550045
NOKL	550046
NOKL	550049
NOKL	550052
NOKL	550066
NOKL	550067
NOKL	550073
NOKL	550074
NOKL	550077
NOKL	550080
NOKL	550084
NOKL	550090
NOKL	550093
NOKL	550095
NOKL	550096
NOKL	550097
NOKL	550098

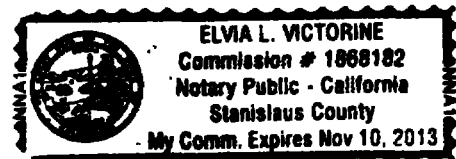
State of California
County of Stanislaus

On 10 FEB. 2010 before me, Elvia L. Victorine, Notary Public, personally appeared
TOM L. NIELSEN

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature *Elvia L. Victorine*

(Seal)

.....OPTIONAL.....

The following provided as information only:

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
☒ Corporate Officer

v.p.

Signer Title(s)

DESCRIPTION OF ATTACHED DOCUMENT

RIDER #5 to LEASE dated 27-JUN-06

Title or Type of Document

6

Number of Pages

☐ Other _____

Date of Document

9-FEB-2010

Signer(s) Other Than Named Above